

# Rehabilitation aids market set to soar

To close gap with other countries in this sector of the medical equipment industry, China must aim for innovative breakthroughs, own brands

By ZHENG YIRAN

China's medical rehabilitation industry is estimated to reach 100 billion yuan (\$14.4 billion) in annual sales by 2023, with an annual compound growth rate of over 18 percent, according to a recent report.

Released during the China International Medical Equipment Fair held in Shanghai, the report showed that currently, the usage ratio of the elderly rehabilitation and home healthcare equipment in China is 1:10.

The corresponding figure for European and American countries is 1:1, demonstrating great growth potential for China's medical rehabilitation industry.

The nation's medical rehabilitation industry remains at a relatively low level, due to lack of rehabilitation equipment, related hospitals and beds.

At present, there are 3,800 rehabilitation institutions in China, taking up 28 percent of the total number of hospitals nationwide. A complete

medical rehabilitation equipment supply system remains to be established.

"The backwardness of Chinese consumers' spending on rehabilitation showed that the domestic medical rehabilitation industry is still quite immature, and the public awareness, equipment, talent and industry chain remain at a primary level," said a report from online market research consultancy Qianzhan.

According to a report released by Chyxx, an online industry information network, currently the volume of China's medical rehabilitation industry is 20 billion yuan, and the annual per capita expenditure is 15 yuan.

The corresponding figures for the United States are 138 billion yuan and 552 yuan, respectively.

In 2011, the National Health Commission issued a guideline on the establishment and management of rehabilitation departments in hospitals, requiring that comprehensive hospitals must set up rehabilitation departments and standard rehabilitation equipment, including multi-



Visitors have their blood pressure checked at a recent international aging industry fair in Beijing.

CHEN XIAOGEN / FOR CHINA DAILY

functional assessment equipment, exercise therapy equipment, physical treatment equipment and speech disorder-related cognitive treatment equipment.

According to the guideline, 10,000 comprehensive hospitals in China will need to establish rehabilitation departments. Given that the average cost of setting up rehabilitation equipment for each hospital is 3 million yuan to 5 million yuan, the total cost will add up to 30 billion to 50 billion yuan.

Each year, an average of over 7 million disabled people get rehabilitation treatment, taking up lower than 10 percent of the total 85 million. China is constrained by the lack of awareness of rehabilitation and the lack of rehabilitation education.

A recent survey conducted by the Shandong University of Traditional Chinese Medicine showed that

nearly 24 percent of the surveyed residents have no idea about rehabilitation treatment, 40 percent hold wrong notions about rehabilitation treatment, and only 26 percent have correct knowledge about it.

Chapal Khasnabis, a representative from the World Health Organization, said: "Twenty years ago, people had a misunderstanding that only the disabled people need rehabilitation equipment. Therefore, when some of them really had the need to use the equipment, they felt shameful. However, now, the situation is different.

"As people age and their physical condition deteriorates, for the consideration of health, they will become users of rehabilitation equipment sooner or later.

"Apart from providing timely medicines and vaccines to more patients in need, medical rehabilita-

tion or auxiliary equipment should be included in future medical public services."

In agreement was Fan Yubo, director of the National Research Center for Rehabilitation Technical Aids, which is part of the Ministry of Civil Affairs. "Internet, virtual reality, big data, artificial intelligence, 3D printing, new material ... all these cutting-edge sciences and technologies are dedicated to solving problems related to medical rehabilitation," Fan said.

"Aging, food safety issues and lifestyle have resulted in many chronic diseases in China. People need the help of medical rehabilitation equipment. Currently, there is a gap between China and other countries in the medical rehabilitation industry. China needs to bring about innovative breakthroughs and have its own medical rehabilitation brands."

## >> FROM PAGE 22

ers, florists, material suppliers, providers of various other services.

An elderly care project entails a plethora of investments, activities and services. Done on a mass scale across a vast country like China, it could help drive economic growth, experts said.

For instance, the nursing home that Sun and her husband live in charges a monthly fee of 2,140 yuan per person. They live in a mid-range 30-square-meter apartment. A high-end apartment could cost 2,460 yuan per person per month.

The fee includes a buffet meal every day. Residents undergo a physical before admission; the practice ensures no one with infectious diseases gets admitted.

There are many takers for modern elderly care services in China. Stated differently, demand outstrips supply. So, the government has amended regulations to allow the private sector to set up profit-oriented businesses in elderly care. Small wonder, for-

ign investors are lining up to back a range of projects in this segment.

Already, 29 provinces and autonomous regions have decided to open up their elderly care markets. And 26 of them have proposed foreign investment in the segment.

In fact, in January, China's Taikang Community, a privately held firm, teamed up with French senior-care company Orpea to set up a joint venture on the Chinese mainland.

According to their strategic partnership, the two entities will cooperate and explore the market for urban-type nursing homes and rehabilitation centers in China.

Orpea will provide its advanced care techniques as well as bring standards and processes. For its part, Taikang will integrate its resources in clients, insurance products and healthcare. Both parties aim at building a high-quality brand in China's pensioner care services.

"Our cooperation (with Taikang) is expected to inject new vitality into the Chinese senior-care industry,"

said Gao Tianli, president of Orpea's China unit.

Elsewhere, various government departments concerned are researching the sector intensively and holding seminars.

Administrative procedures are being simplified to expedite private investments in the sector. At the same time, State institutions in elderly care are being reformed and modernized.

That is not all. The government said it will improve the policy on financial support for elderly care projects. This is expected to increase investments as well as financing channels, and better coordinate planning for balanced urban-rural distribution of projects and judicious land use.

The net result of all these measures could be not only that supply of elderly care services will rise to meet demand, but the quality of the industry will likely improve, market insiders said.

According to a recent report by

market research firm ASKCI Consulting, State institutions outnumber private-sector services in China's elderly care market. The demand-supply gap has been widening, especially in terms of beds.

In 2016, there were 28,500 nursing homes for the elderly in China offering 7.8 million beds. In other words, for every 1,000 elderly people, there were only around 34 beds available, a far cry from the situation in developed countries.

Even though the number of elderly homes will surpass 30,000 this year, the potential for future growth remains huge, experts said.

Li Chang'an, a professor with the School of Public Administration of the University of International Business and Economics, Beijing, said: "The introduction of foreign investment can make up for the capital shortage. Although the country has always been actively raising funds for the elderly care industry, the funding gap is still huge. The entry of foreign capital will help increase supply.

"In addition, through the introduction of foreign capital, the quality of the nation's elderly care services can be raised. We can learn from advanced management, expertise, service concepts and technologies of foreign companies in the sector, to improve the service quality in China."

Li said many foreign institutions appear to target pensioners in the medium to high-end consumption groups in China. Although services in these segments tend to be costlier and the number of target consumers relatively limited, the expected entry of foreign firms will likely meet people's increasingly diverse needs.

Ren Yuan, a professor with the School of Social Development and Public Policy of Fudan University, said: "Now is the best time for foreign capital to enter the market for Chinese pensioners. The competition will only get fiercer from now on."

Song Nan contributed to this story.